Self-Assessment Report for Fiscal Year 2003

Human Resources

Ernest Orlando Lawrence Berkeley National Laboratory

Performance Characterization

Performance Objective	Title	Rating	Weight
1	Effectiveness of HR Operations	Outstanding	100%

Performance Objective #1

Effectiveness of HR Operations: *Human Resources programs, services, and processes support the operations and scientific mission of the Laboratory.* **(Weight = 100%)**

Summary

Starting in 2002, the Department of Energy's Office of Science (SC), in conjunction with the University of California Laboratory Administration Office (UCLAO) and Senior Laboratory Management, endorsed a shift in how the Laboratory should be managed by DOE and how the Laboratory's supporting infrastructure and services should be run.

In order to implement this new vision, Berkeley Lab launched an initiative to develop a certified Human Resources Management System over the next five years. The components of the certified system will consist of standards, self-assessment against the standards, certification, and peer review. Best-practices national standards for the self-assessment will be established for the following areas:

- *Recruitment:* System Metrics and Diversity

- *Retention:* Compensation and Employee Satisfaction

- *Development:* Performance Management and Competency Improvement

- *Labor and Employee Relations:* Work Climate and Labor Union Contract Management

During FY 2003, we focused on achieving significant progress in four areas:

1. *Recruitment System Metrics*, through participation in the Saratoga Institute survey.

2. *Compensation*, through the development of Best Practices Compensation standards.

3. *Development/Performance Management*, through the assessment of our annual Performance Review and Development process (PRD) and an analysis of development plans to identify top-priority training needs.

4. *Labor and Employee Relations/Work Climate*, through the establishment of Listening Forums and the implementation of a pilot Flexible Work Options (FWO) program.

In addition to these efforts, we have made significant progress in establishing a national process for Human Resources department accreditation. This process has the strong support of the University of

California and DOE Headquarters. We are also chairing the DOE Contractor's Human Resources Council task force for accreditation.

The program that Berkeley Lab is pursuing is very exciting and has the potential to be used throughout the DOE Laboratory complex.

While the Department has made great strides in reaching its goals for FY 2003, it is important to recognize that, for a substantial portion of this fiscal year, the Laboratory has been responding to a large number of audits. This has hindered our progress in some areas; but highlights the successes and accomplishments are represented in this document.

Objective #1 **Criterion 1.1**	**Certified Human Resource Management System:** *Human Resources will design, develop, and implement a certified Human Resource Management system based on the HR best-practices national standards, using an independent third party to validate the system.* **(Weight = 100%)**

Objective #1 **Criterion 1.1** **Performance** **Measure 1.1.a**	**Certified Human Resource Management System:** *The Human Resources management system achieves certification against mutually agreed-upon best-practices national standards.* **(Weight = 100%)**

Assumptions:

1. It is expected that to accomplish this measure will be a multiple-year effort.
2. This objective is consistent with the HR five-year (FY 2003 – FY 2007) strategic plan.
3. A certified HR management system will include the following elements:

    - Requirements will be based on the DOE Office of Science (Card) principles of Line Management Accountability, National Standards, Oversight, Contractor Accountability, Vision, and Incentives.

    - Components of the certified system will consist of standards, self-assessment against the standards, certification, and peer review.

    - Best-practices national standards for self-assessment will be established for the following areas: Recruitment, Retention, Development, and Labor and Employee Relations.

4. The cycle for completing this activity will consist of the following phases: Assessment, Design, Development, Implementation, and Evaluation.

Gradient:

Unsatisfactory: Little or no effort is demonstrated toward achievement of the Performance Measure.

Marginal: Some effort is demonstrated; however, results fall short of expectations for the "Good" gradient.

Good: Best-practices national standards have been developed and a gap analysis completed for four areas under the mutually agreed-on project plan.

Excellent: In addition to the "Good" gradient, HR has developed a transition plan responsive to the gap analysis for two of the areas.

Outstanding: In addition to the "Excellent" gradient, HR has developed a transition plan responsive to the gap analysis for four of the areas.

Performance
Measure Result

1. Recruitment System Metrics

In March 2003, the Laboratory participated in the Saratoga Institute Workforce Diagnostic System. We identified our industry comparisons as Research and Development in the Physical, Engineering, and Life Sciences, West Coast, Government/Regulated. This was the first year of participation, and these comparisons will form our baseline measures.

In Recruitment, we initially will be tracking the following metrics. Other metrics will be determined to support Workforce Planning and Retention standards.

Metric Title	Calculation	Target Range	Berkeley Lab Result (for FY 2003?)
Accession Rate	Total hires/regular headcount	19.8%	20.6%
Relocation Program Cost Factor	Total relocation program cost/total number of relocation program hires	$6,128	$1,339
Sign-On Bonus Factor	Total sign-on bonus cost/total number of new hires receiving sign-on bonuses	$6,264	$12,591
Time to Fill	Total days to fill/total hires	43 days	59 days
Offer Acceptance Rate	Total offers accepted/total offers extended	93.4%	85.9%
Filled Requisitions (percent)	Total filled requisitions/total requisitions	44.6%	53.6%

To see results in a key metric, Cost per Hire, we were required to submit all of following costs in order to participate.

- Advertising Hiring Costs: retrievable from the general ledger (GL)

- Agency Hiring Costs: retrievable from the GL

- Referral Bonus Hiring Costs: retrievable from the GL

- Relocation Hiring Costs: retrievable from the GL

- HR Recruiter Salary Costs: retrievable from the GL

- Travel Hiring Costs: travel costs are tracked in one expense code (40000) and do not differentiate between employee and nonemployee travel.

In response to the gap analysis of Berkeley Lab's actual performance versus the target range for our industry grouping, we have established the following plan. These and other metrics will be reviewed annually to determine their appropriateness.

1. We will begin capturing travel costs associated with the recruitment process in order to be able to calculate a Cost per Hire metric.

2. We plan to analyze and track why our performance on Sign-On Bonus Factor, Time to Fill, and Offer Acceptance Rates fall below the target range for our industry grouping.

3. We will also establish metrics to measure the relative "success" of our hires. Instead of assuming that everything went well after a hire, we need a systematic way of finding out what worked and what needs improvement in the hiring process. By gathering information about the relative "success" of the hire,

    - We can adjust our recruitment strategy. We can also change the mix of tools and / or the sources we use, as we learn which hires actually perform the best.

    - We can improve the quality of the delivery of our services as we get feedback from managers and applicants.

    - We might improve our retention rates. By continuing a relationship with a new hire for the first few months, the recruiter can help advise the hiring managers and help them understand how to keep the new hire challenged and motivated. To meet this need, a new employee placement process will be added to our new employee orientation program.

We cannot assume that the people we recruit turn out to be great performers. We have to find out. We can do this by

1. Identifying the top hires (and failures) through performance metrics.

2. Identifying which recruiters had the top (bottom) performers. We might want to reward recruiters for hiring "better" people.

3. Identifying the sources/tools that produce the best (worst) hires, and adjust our recruiting to take advantage of the sources that work.

4. Tracking manager and applicant satisfaction, and adjust our recruiting process to improve satisfaction.

5. Tracking new-hire retention to see if any recruiters have high (low) retention rates, and subsequently identifying recruiters and behaviors that improve retention.

We will use the following Quality of Hire metrics to track the success of our recruiting efforts, and use them to improve the quality of our hires.

1. *Individual performance metrics*. Looking at whether the people we hired this year outperformed those hired last year (in their job classification) on these internal performance metrics.

    a. Performance appraisal rating

    b. Average bonus / pay for performance awards

    c. Number of months until they are promoted

    d. Number of company awards or outside recognitions

2. *Manager satisfaction*. Surveys of hiring managers show a significantly higher satisfaction rate with the recruiting process this year, compared to last year. Satisfaction with

    a. Quality (competencies) of the hire

    b. Quality of the recruiters' responsiveness to managers' requests

    c. Response time to managers' requests

    d. Number of hires

    e. Job performance of the hire

3. *Applicant satisfaction*. Surveys show a significantly higher satisfaction rate on how they were treated during the recruitment process, this year compared to last year. Satisfaction with:

   a. The way the recruiter treated them

   b. The recruitment process

   c. The Laboratory. Has Berkeley Lab's image improved as a result of the recruiting experience?

4. *Retention rates of new hires*. The percent of hires that are still with Berkeley Lab after one year is higher this year than last.

   Compare the new-hire voluntary termination rates from one year to the next. Adjust for any "inflation" in overall industry retention rates.

5. *Salary escalation*. Are the starting salaries (adjusted for inflation) for this year's hires the same or lower than last years?

   Compare accepted offers, adjusted for salary inflation within position classifications for this year, compared to last years, to see if we are "over offering" in order to get desired candidates to accept the offers.

We cannot improve what we don't measure. It is important that we monitor the quality of hires as an indicator of our effectiveness in Recruitment if we are to be better at providing this service to Berkeley Lab.

2. Compensation

Berkeley Lab decided that the compensation program would be the first HR function to be submitted for review and certification by DOE and UCLAO as part of the Human Resources Management System Accreditation Program.   The compensation program was chosen as the pilot for the following reasons:

- There are compensation standards identified in Appendix A of the Laboratory's primary contract with DOE that are used to measure performance under Appendix F of the contract.

- Berkeley Lab has established systems, programs, and measures that provide self-assessment and DOE assurance for the compensation standards identified in Appendix A.

- Berkeley Lab has incorporated programs that represent best-practices approaches in the compensation function. Examples include the development and implementation of the PRD component of the performance management program, and the completion and implementation of the job-validation initiative, resulting in a market-based pay philosophy and related pay-structure design.

On December 18, 2002, the DOE Oakland Operations Office (DOE/OAK) and UCLAO agreed on the approach of applying the standards identified in Appendix A for the compensation program certification. These standards are:

- A philosophy and strategy for all pay delivery programs

- A method for establishing the internal value of jobs

- A method for relating the internal value of jobs to the external market

- A system that links individual and/or group performance to compensation decisions

- A method for planning and monitoring the expenditure of funds

- A method for ensuring compliance with applicable laws and regulations

- A system for communicating the program to employees

- A system for internal controls and self-assessment.

On April 16, 2003, we presented the initial draft of the *Compensation Best Practices Model,* which established our approach in applying these standards at the Laboratory. On May 7, 2003, we received input from DOE and UCLAO that provided a gap analysis towards meeting these standards. On June 4, 2003, we submitted the final version, which addressed the gaps identified in May 2003. The final version is currently being reviewed by both DOE and UCLAO and constitutes our transition plan.

The final version of the *Compensation Best Practices Model* contains the following:

- *Introduction*. This provides an overview of the compensation program at LBNL. It includes the compensation program vision, an assessment of the current state of the program, and a preview of the desired state to support the vision.

- *Compensation Standards*. This provides a review of the programs in place to meet each of the standards. These sections also include the philosophy and process methodology for each of the standards.

- *Appendices*. This is the supporting documentation referenced in the *Model*.

The certification of the compensation program will serve as the model for future HR functional certifications.

3. Development/Performance Management: Assessment of Our Annual Performance Review and Development Process (PRD)

During FY 2002, Berkeley Lab conducted an assessment of performance management best practices, presented the results to senior management, and implemented the PRD program. During FY 2003, we conducted an assessment of the program to determine successes and areas for improvement.

During September and October of 2002, HR surveyed the Scientific and Operations division and department management for their input on the success of the new program, and to identify areas for improvements. Specifically, HR Center Managers met with their respective division directors to determine who within their organizations to survey for input, including division management, supervisors, etc. The survey results included the following:

Successes:

- The program was well received as a result of its being an interactive process.

- There was a strong emphasis on professional development and the establishment of goals.

- There was a requirement for mid-year reviews between supervisors and employees that increased supervisor/staff communication on goals and performance.

- Management liked the level of the training provided by Human Resources.

Improvements:

- The performance ratings needed clarification.

- Summary comments, publications lists, and a brief description of the position needed to be incorporated on the front page of the PRD form to facilitate the scientist and engineer review process.

- There were some concerns on the ease of the form's format and the multiple signature requirements.

As a result of this survey, we conducted a gap analysis and developed the following transition plan, which was implemented for this year's review cycle:

- Revised the very good, good, acceptable, marginal/requires improvement, and unsatisfactory rating definitions.

- Developed a Performance Rating Matrix tool to help managers select the appropriate ratings.

- Simplified the PRD form by combining multiple documents, i.e., the Accomplishments worksheet and PRD Planning worksheet, into one document.

- Added a publications section (for scientists and engineers only) and position description section to the first page of the Accomplishments worksheet.

- Revised the Environment, Health, and Safety (EH&S) performance standard.

- Moved the "Summary Comments" to the first page of the PRD.

- Made the electronic forms available in RTF for easier use across platforms, e.g., UNIX, Mac, etc.

- Consolidated the signature requirements.

The 2003 performance review process guidelines were sent to the Deputy Laboratory Directors, division directors, Operations Department Heads, and the HR leadership team in May. The Human Resources Service Centers have subsequently developed and provided training to Operations and the Scientific divisions. The PRDs will be reviewed with employees in the August through September timeframe. An assessment will again be conducted after this PRD review cycle.

4. Development/Performance Management: Conduct an Analysis of Development Plans to Identify Top-Priority Training Needs

In FY 2003, the Laboratory funded the establishment of an Employee Development function within HR to partner with divisions to create a continuous learning environment, to identify and establish employee and management development programs that enable the Laboratory to fulfill its scientific mission, and to ensure that training is provided across the Laboratory in a coordinated, cost-effective way. This function will serve as a "brokering agent" to coordinate the various training efforts undertaken by the divisions. In addition, by coordinating these efforts, we will be able to analyze what training has been taken in the past and help determine what training to offer in the future. For example, we have reviewed our American Management Association (AMA) training usage and have determined that a large number of the courses which Berkeley Lab staff have taken revolve around developing writing skills. With this knowledge, we can negotiate with the AMA to provide on-site writing classes.

An objective for the Employee and Organization Development function is to establish training plans and programs consistent with the specific development needs identified by division management, employees, and supervisors. As a means to accomplish this objective, HR conducted a review and analysis of FY-2003 division and employee development plans that were prepared as part of the annual performance review process. The review included all of the Scientific and Operations Division/Department development plans and a representative sample of several hundred individual employee development plans. A gap analysis of the results provided the starting point for developing an overall training plan. General themes identified were in the areas of communications, managing our work environment, and career and staff development. In particular, project-management skills were identified as a developmental area in both scientific and operations organizations.

In response to the analysis, a transition plan was developed and implemented. This includes the development and deployment of the following training programs:

- Project Management: new

- Project Team Orientation: new

- Managing in a Union Environment: ongoing

- Performance Review and Development Performance Feedback: redesigned

- Diversity Training: new

- Sexual Harassment: ongoing

- Managing Employee Conduct and Performance: ongoing

- Recruitment Training: new

- Whistle Blower Policy: new

- Workplace Violence and Assessment: new

Future initiatives include becoming an active participant and team member on the University of California Office of the President (UCOP) People Management Training Initiative, which is designing a systemwide supervisory and management training program. This program will be developed by a systemwide team over the next two years.

5. Labor and Employee Relations/Work Climate – Listening Forums

During the summer of 2002, ten listening forums were held in eight departments/divisions: Financial Services, Administration Services, Facilities, Engineering, Information Technologies and Services, Computational Research, NERSC, and Environmental Energy Technologies. Approximately 160 randomly chosen employees were invited to participate. Participation was voluntary, no attendance was taken, and the forums were facilitated by an outside consultant; about half of the invitees participated.

At each forum, set up by organizational unit, the same seven questions were asked of employees. A list of these questions is attached as supporting data.

The consultant analyzed the results from the forums and presented them to management on October 14, 2002. Each department head/division director prepared a gap analysis comparing the employee feedback with their ongoing or new efforts. By the end of November 2002, a "Management Response Forum" was held with the participants. HR Center Managers assisted in preparing the responses. Management used this forum to communicate the linkage between employee feedback and projects/initiatives within their organizations which were either under way, or activities planned for FY 2003, FY 2004, and beyond.

Some of the feedback was not specific to a particular organization and is being addressed by Laboratory management. As a result of the forums, the following actions are a sampling of what we have accomplished this fiscal year:

- A Flexible Work Option pilot has been established.

- Project Management Training has been established to help employees juggle multiple projects and provide a formal process for planning, execution, and decision making.

- "Today at Berkeley Lab" has been established to provide more communication with our staff.

- An awards committee has been established to provide clear guidance on our current awards program and to look at ways to broaden the program for wider participation.

- As part of the PRD assessment, ratings were clarified and tools were developed to aid supervisors and employees in determining the appropriate performance rating and in reviewing job-related competencies.

- An Employee and Organization Development function was established in HR to coordinate the need for more opportunity for training and professional development.

- We will continue to conduct Work Climate Assessments in the future.

Deputy Director of Operations Sally Benson's presentation highlighting the initial results is available on request.

6. Labor and Employee Relations/Work Climate – Flexible Work Options (FWO) Program

Research was conducted into best-practices standards, and a FWO program was identified as a key component in creating a work environment in which employees can perform their best work. This was also a finding from our own listening forums. A team of HR professionals representing every division and department of the Laboratory was formed to develop and implement a pilot program this fiscal year.

The team researched programs in place at other national laboratories and in companies considered among the best places to work in the nation.   The team established guidance and policies for a number of different work options. Laboratory management decided to conduct a six-month pilot to understand the implications of the program on business operations and time reporting, and to establish metrics to determine the success of the program. In order to simplify the pilot, only the 9/80 work schedule option could be used.

Four divisions were selected to participate in the pilot. The participants were chosen based upon the following factors:

- EH&S: to measure impact on customer relations

- ITSD: to measure impact on customer relations

- FSD: to measure impact on customer relations

- NERSC: to measure impact in a production environment

The following metrics have been established to measure the success of the program:

- Absenteeism: for all organizations

- Turnover: for all organizations

- Customer Service: for all organizations except NERSC

At the conclusion of the program, a gap analysis will be conducted using the results from the metrics as well as through an evaluation by a professional HR consulting firm. Based on the results for the gap analysis, a transition plan will be developed for use in recommending future programs.

Successes/ Shortfalls

This year's self-assessment covers the following four areas:

1. *Recruitment System Metrics*: Definition for baseline and analysis

2. *Compensation*: Certified system proposal

3. *Development/Performance Management*: Assessment of the PRD process, and an analysis of development plans to identify top-priority training needs

4. *Labor and Employee Relations/Work Climate*: Listening forums and the Flexible Work Options (FWO) program.

We have established standards either through formal metrics (Recruitment), mutually agreed-on standards (Compensation), or best-practices assessments (Development/performance management and Labor and Employee Relations/Work Climate). In all four areas a gap analysis was completed, and a transition plan developed and in most cases implemented.

In addition, we have made substantial progress on establishing a formal relationship with a national organization, the Human Resources Certification Institute (HRCI), for Human Resources Department accreditation.

We believe that we have met the Outstanding gradient.

Supporting Data

- Letters of support to HRCI

- Presentation to the HRCI Board of Directors is available for review upon request.

- The *Compensation Best Practices Model* is available for review upon request.

- Employee Listening Forum Questions

- Employee Listening Forums, a presentation given at the November 11, 2002, Operations Quarterly Meeting by Sally Benson is available upon request.

Attachments

MAY 29 2003

JUN 2003

Ms. Cornelia Cont, CAE
Director
Human Resource Certification Institute (HRCI)
1800 Duke Street
Alexandria, VA 22134

Dear Ms. Cont,

Ms. Margo Triassi, of the Department of Energy (DOE) office in Oakland, met with me
to discuss the results of the May 1, 2003, meeting with you, Randy Scott (Lawrence
Berkeley National Laboratory) and Sam Gibson (University of California Laboratory
Administration Office). Based on this positive report, I wish to convey to you and the
HRCI Board of Directors the very active interest of the DOE Headquarters, Office of
Procurement and Assistance Management, in implementing an accreditation process such
as that described in the Accreditation Proposal presented to you. We were very
encouraged that HRCI was seriously considering the accreditation of Human Resources
programs as a new business opportunity and service to the human resources community.

It is our belief that a Human Resource Management program accreditation could be
applicable to many of the 30 plus DOE Contractors nationwide, particularly those similar
to Lawrence Berkeley National Laboratory. As a direct expression of interest, the DOE
Contractors' Human Resources Council has endorsed the formation of a task team on this
topic. It is intended that this group will assist in addressing consistent application of the
accreditation concept to interested DOE contractors.

We look forward to further discussions with you on the next phases of this project.

Sincerely,

Stephanie F. Weakley
Director,
Contractor Human Resources Division

cc: Margo Triassi, DOE-Oakland Operations Office
Richard Nolan, DOE-LBNL Site Office
John LaBarge, DOE- Office of Science
Randolph R. Scott, Lawrence Berkeley National Laboratory

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  UNIVERSITY AFFAIRS AND
INTERIM VICE PRESIDENT-
  LABORATORY MANAGEMENT

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1111 Franklin Street, 12th Floor
Oakland, California 94607-5200

June 9, 2003

Ms. Cornelia Cont, Director
Human Resource Certification Institute
1800 Duke Street
Alexandria, VA 22134

Dear Ms. Cont,

I am writing to you regarding your recent meeting with Randolph R. Scott, Head Human Resources, Lawrence Berkeley National Laboratory, Sam Gibson of our office, and Margo Triassi, Department of Energy-Oakland Operations Office. I wish to assure you and the Board of Directors of HRCI, of the very strong interest of the University of California Office of the President-Laboratory Management in engaging in the partnership described in the proposal presented to you by the Lawrence Berkeley National Laboratory.

It is our view that the concept of HR Department Accreditation represents a timely and innovative approach to HR Practice that will further our goal of implementing best practices. We look forward to participating in discussions of mutual benefits and challenges.

Please keep Sam Gibson informed of the next steps in creating this partnership for the future.

Sincerely,

Bruce B. Darling
Senior Vice President and
Interim Vice President

cc: Director Shank
       Assistant Vice President Van Ness
       Associate Vice President Boyette
       Deputy Director Benson
       Department Head Scott
       Division Director McGraw

UCSF

University of California
San Francisco

July 3, 2003

Ms. Cornelia Cont, Director
Human Resource Certification Institute
1800 Duke Street
Alexandria, VA 22134

Dear Ms. Cont:

Randolph R. Scott, Head Human Resources, Lawrence Berkeley National Laboratory presented the HR Department Accreditation proposal to the University of California Chief Human Resources Officers (CHRO). The CHROs represent all of the campuses, medical centers and laboratories of the University.

The CHROs support the concept of HR Department Accreditation and believe it will further professionalize human resources. We look forward to learning more about the next steps.

Sincerely,

Mike Tyburski
Director
CHRO Chair 2003 – 2003

cc: Associate Vice President Boyette, Office of the President
     Associate Vice Chancellor Shimek, UC Davis
     Assistant Vice Chancellor Brooks, UC Irvine
     Assistant Vice Chancellor Cooper, UC Riverside
     Assistant Vice Chancellor Davis, UC San Diego
     Assistant Vice Chancellor Levin, UC Los Angeles
     Assistant Vice Chancellor Lopez, UC San Francisco
     Assistant Vice Chancellor Moers, UC Berkeley
     Executive Director Murta, UC Davis
     Director Cronk, UC Santa Barbara
     Director Kramp, UC Merced
     Director McQuitta, UC Santa Cruz
     Director Monroe, UCOP Human Resources
     Director Odato, UCSF Medical Center
     Director Skinner, UCSD Healthcare
     Director Thatcher, UC Irvine Medical Center
     Senior Associate Director Speare, UCLA Wilshire Center
     Associate Director Alvarado, UC Davis Health System
     Department Head Scott, LBNL

The questions we asked Employees

- Why do you work at the Lab?

- What would help you feel more satisfied with your job and work at the Lab?

- What could the Lab do to become the workplace of choice for all Lab employees?

- How can the Lab help employees achieve a better balance between their professional and personal lives?

- How would you like to be more involved or have greater influence at the Lab?

- What could be done within your team, Department, Division and the Lab that would promote a culture of civility, respect and trust here at Berkeley Lab?

- What types of contributions, efforts and accomplishments do you think should be recognized by your manager, your peers, and by the Lab?